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PROVIDING RESOURCES FOR  
SPECIAL OPERATIONS FORCES:  
COMPLETING THE TRANSITION

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## **Executive Summary**

### **PROVIDING RESOURCES FOR SPECIAL OPERATIONS FORCES: COMPLETING THE TRANSITION**

Special operations forces have been an essential part of U.S. Military operations since the Revolutionary War. Those forces are now being revitalized in compliance with a 1986 congressional mandate. The remaining crucial actions in that revitalization are determining the resources needed by special operations forces and providing those resources.

Special operations forces have their own Major Force Program, MFP-11, which in the recent past has been managed piecemeal by the Services and Defense agencies. The ~~Services and Defense~~ agencies must now transfer control of MFP-11 resources. In an action that is unprecedented in the history of DoD, responsibility for MFP-11 and its budget are being vested in a unified combatant command, U.S. Special Operations Command (USSOCOM). This transition of control will not only be novel, it will also be extremely complex, and for it to be effective, two actions must be taken as soon as possible. First, the Assistant Secretary of Defense (Comptroller) must clearly define MFP-11, showing that it contains all the direct costs for special operations forces and that those costs are correct. Our analysis indicates that MFP-11 faces a shortfall of \$1.3 billion over the program and budget years through FY97. That shortfall must be corrected to ensure a viable special operations force program. Second, even though special operations forces have their own MFP, they still remain dependent on the Services and Defense agencies for almost all essential support functions. USSOCOM must negotiate literally hundreds of issues with the Services and Defense agencies and establish firm agreements to guarantee continuation of that support.

The changes to MFP-11 and negotiated agreements are vital to the special operations community. They are also time-critical — work must be started immediately to permit development of the Program Objectives Memorandum for Fiscal Year 1992.

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## CHAPTER 1

### INTRODUCTION

Special operations forces are being revitalized in compliance with a 1986 congressional mandate. Critical actions in that revitalization are to determine the resources needed by special operations forces and then to provide those resources. This report examines the two basic elements that are crucial for the special operations community to gain and exercise control of the resources needed for special operations forces (SOF). The two elements are first, a clear definition and understanding of Major Force Program 11 (MFP-11)<sup>1</sup> for the Special Operations Forces along with a first-order estimate of its magnitude and second, a clear concept and formulation of a set of general agreements that must be negotiated between the U.S. Special Operations Command (USSOCOM) and each of the Services and appropriate Defense agencies.

Those two elements together will account for all the resources that the SOF need to accomplish their assigned missions.<sup>2</sup> If either of them is not properly defined, resources for crucial areas may not be available when needed.

Once the special operations community controls the resources and the elements are properly defined, the budget will have to be executed. In this report, we look briefly at one aspect of overall budget execution: acquisition. The special operations community has been given responsibility for the entire acquisition cycle for special-operations-peculiar material. It must implement its approved acquisition operational concept to carry out that responsibility.

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<sup>1</sup>A major force program is an aggregation of program elements (PEs) that reflects a DoD force mission or support mission and contains the resources needed to achieve an objective or plan.

<sup>2</sup>This report does not address special access programs.

## BASIC CONCEPTS

### Enabling Legislation

The legislation establishing USSOCOM, the Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) [ASD(SO/LIC)], and MFP-11 is discussed in detail in our earlier report, *The Next Step for Special Operations: Getting the Resources To Do the Job* [1-1]. In essence, this body of law was a response to Congress's perception that the United States has had great difficulty performing special operations missions and that this difficulty was a result of the way the forces were organized, trained, equipped, and used.

Congress has continued to make laws in this area because it has considered the DoD response to be indifferent at best. Since our earlier report [1-1], Congress has passed the FY89 Defense Authorization Act [1-2], which includes Section 712 amending the authorities of the Commander in Chief, USSOCOM (USCINCSOC). The Act added to his authorities and responsibilities:

Preparing and submitting to the Secretary of Defense program recommendations and budget proposals for Special Operations Forces and for other forces assigned to the Special Operations Command.

A complete text of U.S. Code Section 167, *Unified Combatant Command for Special Operations Forces*, as amended, is presented as Appendix A.

To make sure that there was no misunderstanding as to the intent of this section of the law, Senators Sam Nunn (D-GA) and William S. Cohen (R-ME) put into the Congressional Record [1-3] statements on the subject, to wit:

... conferees intend that the commander of the Special Operations Command would have sole responsibility for preparation and submission of the Program Objectives Memorandum for all Special Operations Forces and all other forces assigned to his command.

Deputy Secretary of Defense Taft acknowledged the intent of Congress in his letter dated 24 January 1989 [1-4] by assigning the responsibilities for programming, budgeting, and execution of MFP-11 to USCINCSOC. All the authorities are now in place for the SOF community to assume full control of the program and to submit a Program Objectives Memorandum (POM) and budget for special operations resources and to acquire special-operations-peculiar items and services.

## Special-Operations-Peculiar Items and Services

Although Congress gave USSOCOM responsibility for acquiring special-operations-peculiar items and services, it did not define what was meant by special operations peculiar. For purposes of our discussion, we use the following definition:

- The term *special operations peculiar* refers to any item or service that is designed for, or primarily used by, SOF or other units in support of special operations missions. The following items are also included:
  - ▶ Standard items used by other DoD units but modified for SOF. In cases in which the item is primarily used in a special operations mission or in special operations mission support, the standard item and the modification constitute a special-operations-peculiar item (e.g., the AC-130U or the MC-130H). In other cases in which the item is not primarily used in a special operations mission or mission support, only the modification becomes a special-operations-peculiar item (e.g., a dry-deck shelter used on a submarine).
  - ▶ Items initially designed for, or used by, special operations forces but subsequently considered for standardization by other DoD forces. These systems will be considered special-operations-peculiar items until they are standardized by other DoD forces (e.g., a lightweight communications device).

This definition is useful for categorizing requirements and in discussing management of acquisition. However, the term *special operations peculiar* should not be applied to categorizing resources in programming. Direct versus indirect costs differentiate, respectively, what is and what is not part of MFP-11.<sup>3</sup> This concept is touched upon in the next section and developed fully in Chapter 3.

## Totality of Special Operations Resources

Congress has given USSOCOM responsibility for SOF resources by creating MFP-11 and authorizing USSOCOM to prepare a POM justifying it. Our analysis shows that the special operations community must initiate changes to MFP-11. In Chapter 3 we discuss some of the basic concepts that support our recommendations for redefining MFP-11, some necessary adjustments to the content and funding of MFP-11, and some issues that will arise under USCINCSOC's control of its

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<sup>3</sup>*Direct* costs for a SOF unit are those costs that exist if the unit exists, e.g., the equipment for a unit. *Indirect* costs are those that would exist, at least in part, even if the SOF unit did not exist, e.g., the cost of recruiting.

operation. In essence, MFP-11 should contain only those resources that fund direct costs to SOF.

However, even an adjusted MFP-11 will not contain all of the resources that SOF units need to perform their missions. Many resources will (and should) remain under the control of the Services and Defense agencies. Those resources fund indirect costs of SOF. For example, the Services will continue to provide military personnel for SOF, i.e., they will continue to recruit and provide initial training. USSOCOM will have to negotiate general agreements with each of the Services and some Defense agencies in order to ensure complete support for its units.

### **Budget and POM Years**

In the remainder of this report we deal at times with four terms – current year, budget years, POM (or program) years, and outyears. So that no misconception occurs, we define those terms as follows and adhere to these definitions throughout this report:

- Current year: the fiscal year in progress (FY89, for example)
- Budget years: the 2 years covered in the current President's Budget as submitted to Congress (FY90 and FY91, currently)
- POM years: the 6 years of the program (until 1992, the 5 years of the program) (FY92 through FY97 as in the next POM)
- Outyears: all the POM years after the first two (FY94 through FY97 in the same example).

### **REPORT ORGANIZATION**

This chapter reviews recent legislation and efforts to give USCINCSOC the necessary control over MFP-11 by the use of a POM and budget. It also proposes a definition of special-operations-peculiar items and services.

Chapter 2 presents our recommendations for actions to be taken by the ASD(SO/LIC) and the USCINCSOC to establish the proper content of MFP-11 and ensure that the Services continue to support SOF.

Chapter 3 describes the changes necessary in content and funding level of MFP-11. We first discuss the background of the program element definitions for MFP-11 and present our recommendations for those definitions. We then give our

findings on what programs were transferred to MFP-11 and discuss our recommended adjustments to the content and funding of MFP-11.<sup>4</sup> The final section of Chapter 3 presents issues that will arise once USSOCOM assumes full control of MFP-11. Chapter 4 presents the steps and procedures to develop and negotiate general agreements with the Military Departments and appropriate Defense agencies for their continued support of SOF.

We present four appendices: Appendix A is a complete text of U.S. Code Section 167, *Unified Combatant Command*, as amended; Appendix B deals with various steps in implementing USSOCOM's Acquisition Operational Concept; Appendix C contains the initial program element definitions; the detailed explanations of adjustments we recommend are published in a separate classified Appendix D, *Adjustments to Major Force Program 11* (SECRET).

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<sup>4</sup>The data for this report were gathered from interviews with staff in OSD, the Services, USSOCOM, and their components. Since we were not given access to actual Planning, Programming and Budgeting System (PPBS) data, our analyses of various program costs are estimates based on the data we were given. Actual PPBS data can be used to gain additional precision.



## CHAPTER 2

### RECOMMENDATIONS

One of the most important issues facing the special operations community is how to effect the transition of SOF resources from Services/Defense agency control to special operations community control. This transition would be difficult if it had the full support of all concerned and plenty of time; since USSOCOM has neither total support nor unlimited time, it faces an extremely difficult task. The classic questions of what resources, their location, and who should take what action when, must be answered. We submit the following recommendations to help answer some of these questions and make the transition easier. Full implementation of the transition requires a major effort, one that should be started soon.

#### WHAT RESOURCES ARE INVOLVED?

##### Defining MFP-11

MFP-11 should contain all of the direct costs of SOF. The definitions of the program elements (PEs) that make up MFP-11 should clearly embrace that concept. The current MFP-11 structure with six PEs is unnecessarily complex and restrictive.<sup>1</sup> Therefore, *we recommend that four of the current PEs – On-going Operational Activities, Force Enhancements, General Support, and Advanced Special Operations Research, Development and Acquisition – be combined into a single PE entitled Special Operations Forces Units and that the combined PE contain all of the direct costs attributable to these units.* This recommended new PE would eliminate the current ambiguity of deciding when to transfer resources from one PE to the other and it would enhance flexibility. The definition should exclude support that is centrally managed by the Services.

*We also recommend that a new PE be created for military pay and that the definitions in other PEs be modified to exclude military pay.* Each Service would submit this new PE in its POM as its sole MFP-11 PE (because this appropriation

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<sup>1</sup>The current versions of these PEs are given in Table 3-1 in Chapter 3.

would remain in the Services). Two current PEs – *Training and Management Headquarters* – should be retained.

The Assistant Secretary of Defense (Comptroller) [ASD(C)] would have to change the current content of MFP-11 (as established *de facto* in the Service crosswalks) to fit these new PE definitions. The ASD(C) would have to transfer some programs into MFP-11 (e.g., ammunition) and transfer some out [e.g., Navy Special Warfare Center base operations support (BOS)].

### **Funding MFP-11**

In addition, OSD will have to make major funding adjustments in MFP-11; it will have to increase MFP-11 funding by \$1.3 billion over that currently scheduled for the budget and POM years, primarily to make up for the dearth of outyear baseline funding currently in MFP-11. That increased funding will correct inconsistencies in MFP-11 among the Services in ammunition, base operations support, major end-items, and component headquarters areas; it will also fund the transfer of the following essential SOF programs that should be in MFP-11: Research, Development, Test and Evaluation (RDT&E) technical base, unit individual training, flying-hour program, and others; and it will correct the insufficient funding levels transferred to MFP-11 in RDT&E, military construction, and headquarters support. The outyear funding would need to be incorporated into an increased Total Obligational Authority (TOA) for MFP-11.

*To accomplish these changes, we recommend that ASD(SO/LIC), in concert with USCINCSOC, work with*

- *The Under Secretary of Defense (Policy) and the Assistant Secretary of Defense (Program Analysis and Evaluation) to ensure that MFP-11 is appropriately resourced in the Defense Guidance and*
- *The Assistant Secretary of Defense (Comptroller) to adjust the structure and content of MFP-11 to make it more flexible, coherent and consistent.*

### **Controlling MFP-11**

With the above changes, MFP-11 will be properly defined and funded. However, the resources in MFP-11 will not be enough to ensure that SOF units can perform their assigned missions. Further support resources will be required, and those support resources should not be in MFP-11 but should remain in other MFPs in

the Services and Defense agencies. That support should be documented in formal general agreements, which we recommend be negotiated between the special operations community and each of the Military Departments and some of the Defense agencies. *To complete those agreements, we recommend that USSOCOM set up a full-time organization to oversee the complex task of developing and negotiating the agreements from beginning to end.* We estimate, based on discussions with the Services, that this process will require 6 to 9 months and that the process may include up to 100 issue areas per Military Department. Once MFP-11 has been properly defined and adjusted and the general agreements emplaced, the questions of what resources are needed and where they should be placed will be answered fully.

*We recommend also that an office within USSOCOM be tasked to design a simple, responsive POM development process for USSOCOM tailored to its unique circumstances: a single mission, a small set of units, several billion dollars of resources, and a small group of decision makers.* It should also develop a means of coordinating with the POMs of the Military Departments and Defense agencies.

We believe that these and other resource responsibilities will require additional personnel with appropriate skills within USSOCOM and its Components. *We recommend that the command acquire those personnel and seek to retain the services of members of the Service staffs currently supporting special operations forces.*

#### **WHO SHOULD TAKE ACTION?**

The ASD(SO/LIC) and USCINCSOC have the responsibility to implement these recommendations. Together they must decide who on their staffs should take the lead on the issues that will arise. Because these issues will be complex and will require a coordinated, timely effort by many people, *we recommend that a senior individual within USSOCOM be given the responsibility and authority to resolve them.* That person should be given sufficient, full-time staff and authority to coordinate the efforts of the command's staff, act as liaison with the ASD(SO/LIC) staff, and negotiate with the Services and OSD.

#### **WHEN SHOULD ACTION BE TAKEN?**

These recommendations should be implemented as soon as possible. Definition of MFP-11 is the first step and must logically precede negotiation of general agreements although it may have to be revisited as a result of the negotiations. The

negotiations, in turn, should begin as soon as possible to allow time to develop the POM for FY92.

## CHAPTER 3

### MAJOR FORCE PROGRAM-11

#### BACKGROUND

Congress mandated the creation of MFP-11 for SOF in the FY87 Continuing Appropriations Act. [3-1] The Act stated:

Section 9115.(c) - MAJOR FORCE PROGRAM CATEGORY. - The Secretary of Defense shall create for the special operations forces a major force program category for the Five-Year Defense Plan of the Department of Defense.

The legislation provided no further specific guidance as to the contents of the new MFP. Thus, the details of its content were left to OSD.

In February 1987, OSD issued guidance for setting up the new MFP. In effect that guidance [3-2], reaffirmed in subsequent guidance in March 1987 [3-3], assigned all resources that were *direct costs* of SOF to MFP-11. All *indirect costs*, costs that would have to be prorated, for example, were not included in MFP-11; they were left where they had been in other MFPs.

Based on our analysis we believe that the content and funding in MFP-11 must be changed significantly. In this chapter, we explain why. First, we discuss the background of the program element (PE) definitions for MFP-11 and present our recommendations for definitions. Next, we give our findings on what programs were transferred to MFP-11 from other Service programs in the "crosswalk." Third, we recommend adjustments to the content and funding of MFP-11. Finally, we discuss some of the key issues that will arise in USSOCOM's operation of MFP-11.

#### PROGRAM ELEMENT DEFINITIONS

The original PE definitions given in the OSD guidance [3-2, 3-3] (see Appendix C) are clearly predicated on including only direct costs of SOF in MFP-11. For example, PE 11000000, *On-going Operational Activities*, states that it includes "Personnel and operations and maintenance costs that can be directly associated with an individual unit operations and training. . . ."

PE 11100000, *Force Enhancement*, contains mainly RDT&E and procurement costs for new or improved equipment and initial outfitting for new units. These are all direct costs. That PE also includes directly applicable costs in other appropriations resulting from the acquisition of a new or improved capability or additional force structure.

In practice, these definitions would also have to recognize the originator of resource decisions. The following examples illustrate that. If a new SOF unit were established, all of the costs of outfitting that unit would be in MFP-11. If a new helicopter were brought in to replace an older model and the replacement resulted in enhanced capabilities, the cost of the helicopter and its associated new support would be paid by MFP-11. If, however, the Army chose to replace all .45-caliber handguns with 9mm handguns throughout the Army, Army SOF units would not have to pay for the new handguns out of MFP-11. In that case, the Army should issue them free to the units because the change was a result of an Army decision for all of its units.

#### **Distinguishing Direct and Indirect Costs from Special-Operations-Peculiar and Common Costs**

The distinction between direct and indirect costs should not be confused with that between special-operations-peculiar and common equipment. The latter distinction is applicable only in terms of acquisition; it is not a cost distinction nor should it be used in programming. For example, a new sniper rifle used only by SOF units would be "peculiar." Authority to procure it would reside in the SOF acquisition system, and the money to procure it would be in MFP-11 because it would add a new capability. A standard 2.5-ton truck, however would be "common," and would be procured through a Service acquisition system. The money to buy it, however, would be part of MFP-11 if the acquisition were part of the initial outfitting for a new SOF unit; otherwise, it would not.

The distinction between special-operations-peculiar and common equipment is important in discussing what should and should not be placed under the authority of the USSOCOM acquisition system. That distinction, however, has no place in the discussion of what should and should not be in MFP-11. As shown in the previous example, money to buy common equipment may or may not be included in MFP-11.

Yet another distinction is commonly made in the definition of PEs, the distinction between *peculiar equipment* and *support equipment*. These two standard

terms appear in the current MFP-11 PE definitions dated 29 May 1987 [3-4], shown in Table 3-1. In this case, the distinction is between major end items and general support equipment. In a B-1 aircraft squadron, for example, the peculiar items would be the B-1 and other major end items. The set of peculiar and support equipment, thus, is meant to be exhaustive of all equipment owned by the squadron and the associated costs are all direct costs of the squadron. Therefore, the current PE definitions are not meant to be different from the earlier set of definitions (see Appendix C) but are merely couched in a language more commonly used in PE definitions. The terms *peculiar equipment* and *support equipment* are not equivalent to the terms *peculiar equipment* and *common equipment*.

### Recommended Definitions

The definitions in Table 3-1 can be improved. The two clauses in the definition of the *On-going Activities* PE seem to be redundant. The definition of *Force Enhancements*, by excluding military personnel costs, operations and maintenance (O&M) costs, raises a question of where these costs for a new unit would be put in the period between the time that a unit is first established and the time it has been fully operationally capable for a year (at the latter time the costs are transferred to the *On-going Activities* PE).

The current PE structure creates additional problems. RDT&E is split between two PEs (*Advanced Special Operations Research, Development and Acquisition* and *Force Enhancements*). The *General Support* PE has almost no funds included in it. The separation of SOF funds into six basic PEs reduces USSOCOM's flexibility to use existing funds to correct unexpected funding problems during execution and increases the possible exposure of the relative values of classified programs to outside examination.

We recommend that four PEs – *On-going Operational Activities*, *Force Enhancements*, *General Support*, and *Advanced Special Operations Research, Development and Acquisition* – be combined into a single PE entitled *Special Operations Forces Units*. The combination would eliminate the difficulty of deciding when to transfer resources from one PE to the other and enhance flexibility. The definition of the new PE should generally exclude all nonmajor end items and support that are centrally managed by a Service or Defense agency.

**TABLE 3-1**  
**MAY 1987**  
**PROGRAM ELEMENT DEFINITIONS**

**11000110<sup>a</sup> (A, F, M, N) On-going Operational Activities - Active: X-7-06:**

Includes manpower authorizations, peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the following active special operations units and organizations:

Includes personnel and operations and maintenance costs that can be directly associated with an individual unit's operations and training. Also includes investment costs for minor and replacement equipment and spare parts.

Army: Special Forces, Ranger, PSYOP, civil affairs and special operations aviation units.

Navy: SEAL units.

Air Force: Special operations units, including combat support squadrons.

Excludes central services and supply units, see PE 11300110.

**11100110<sup>b</sup> (A, F, M, N) Force Enhancements - Active: X-7-06:**

Includes peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the following enhancements for active forces:

Includes resources for new or improved operational mission capabilities and special operations force structure expansion. This includes acquisition of new or modified weapon and combat support systems and resources for the establishment of new operational units. This PE is primarily for RDT&E and procurement appropriations resources associated with new or improved ordnance and weapons, land, air, and sea mobility equipment, special uniforms and personal gear, communications and electronic equipment, and the initial outfitting of new operational units and activities. Military construction costs may be included to cover directly applicable facilities for acquiring a new or improved operational force capability. Programs and activities included in this PE will transition to PE 11000110, "On-going Operational Activities," upon reaching full operational capability (FOC) plus 1 year, or by agreement between the OASD(SO/LIC) and the USSOC or military service special operations components.

Excludes manpower authorizations, operation and maintenance and military personnel resources.

**11200110<sup>c</sup> (A, F, M, N) Training - Active: X-7-06:**

Includes manpower authorizations, peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the following active activities:

Includes resources for operation and maintenance, personnel, facilities and equipment required for special operations schools and doctrinal development activities. Also includes other general training support activities and services and USSOC joint exercise requirements.

**11300110<sup>d</sup> (A, F, M, N) General Support - Active: X-7-06:**

Includes manpower authorizations, peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the following active general support activities:

Includes standard and centralized base operation organizational activities and their related equipment, services, facilities and personnel costs, engaged in printing and reproduction, telecommunications and other logistical and administrative functions.

**11400110 (A, D, F, M, N) Advanced Special Operations Research, Development and Acquisition: X-7-06:**

Includes activities associated with developing and demonstrating technology for application to special operations requirements and acquiring special SOF equipment. This PE also includes resources associated with DoD participation in programs such as the NSC/State Department-sponsored research and development program.

**11800980 (A, F, M, N) Management Headquarters (SOFCOM): X-7-06:**

Includes manpower authorizations, peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the following:

U.S. Special Operations Command (SOFCOM) Headquarters.

Excludes nonmanagement headquarters resources

<sup>a</sup> PEs 11004110 and 11006110 are On-going Operational Activity Guard and Reserve, respectively

<sup>b</sup> PEs 11104110 and 11106110 are Force Enhancements Guard and Reserve, respectively

<sup>c</sup> PEs 11204110 and 11206110 are Training Guard and Reserve, respectively

<sup>d</sup> PEs 11304110 and 11306110 are General Support Guard and Reserve, respectively



The *Training and Management Headquarters* PEs should be retained. In addition, we recommend that a new PE be created for the military pay appropriation and the other PE definitions be modified to exclude military pay. The new *Military Pay* PE should be submitted by each Military Department in its POM as its sole PE under MFP-11.

The practical application of these definitions can vary by Service. For example, a Navy unit pays the stock fund for all spares that it gets from the supply system. In the case of the Navy, the stock fund would be paid from MFP-11 funds because those spares are directly attributable to the unit. In contrast, the Army calculates the demand for some spares for the entire inventory and the spares are then issued free to units. Army units do not pay for those spares when they receive them from the supply system now, nor would they under MFP-11.

Another example is equipping new units. The Army, for instance, initially equips new units with some items from centrally managed assets. The Army's general agreement should specify that it will continue to provide such equipment free to the SOF units. Thus, funding for this equipment would not have to be put in MFP-11. In both these examples, the Services must also agree to honor the Joint Chiefs of Staff (JCS)-assigned priorities of SOF units.

The distinction between direct and indirect costs has for the most part been followed (although not stated in those terms) in developing the current MFP-11. That distinction should be stated explicitly, and the term *direct* should replace the terms *peculiar* and *unique* when discussing what costs and programs should be in MFP-11. The distinction is important, it is logical, and it apparently will satisfy the intent of Congress in creating MFP-11. It also complies with the following DoD guidance on the overall content of MFP-11:

Program 11. Consists of force-oriented special operations forces (Active, Guard and Reserve), including the command organizations and support units directly related to these forces. DoD 7045.7-H [3-5]

It also follows the overall definition of a major force program:

A program is an aggregation of program elements that reflects a force mission or support mission of the Department of Defense and contains the resources needed to achieve an objective or plan. It reflects fiscal year time-phasing of mission objectives to be accomplished and the means proposed for their accomplishment. DoD 7045.7-H [3-5]

Thus the distinction between direct and indirect costs should be maintained and used to determine what resources should be included in MFP-11 in the future.

## THE CROSSWALK

OSD instructed the Services to provide "crosswalks" (a charting of how to transfer resources) from old PEs in existing Major Force Programs to the new PEs for MFP-11 as defined in the guidance [3-2, 3-3]. OSD expected the crosswalks from the Services to identify the old PE, the amount in that PE to be transferred, and the resource identifier codes (RICs) for that PE and the new PE.

The crosswalks defining the relationship between the then-current PEs and the new set of MFP-11 PEs were completed by the Services and submitted to OSD in April 1987. Most of the work of defining the crosswalk was done at the Service headquarters level in the Pentagon with some input from major commands that were affected by the changes. Involvement of what are now the components of USSOCOM was minimal.

As noted previously, OSD guidance for the creation of MFP-11 was in a continuous state of flux during the time the Services were preparing their crosswalks. Much of the OSD direction was oral, given at weekly progress meetings.

The results of the Services' crosswalk efforts reflected each Service's own internal way of doing business. That procedure had both desirable and undesirable effects. The desirable effect was that the end product was understandable and familiar to the specific Service programming and budgeting practitioners who have had to provide the data and put together the programs. The undesirable effect was the creation of inconsistencies among the Services that make it difficult for USSOCOM to pull together the Service programs into MFP-11.

Two questions must be asked of each crosswalk. First, was the correct set of programs transferred? (That is, does the transferred set of programs constitute an exhaustive set of all elements of direct costs for special operations forces in the particular Service.) Second, were the correct amounts in each program identified and transferred? (That is, did MFP-11 get its correct portion of formerly shared PE funding.) In the remainder of this section, we will try to briefly answer those two questions for each Service.

The Service's crosswalks did not attempt to answer whether special operations forces had been adequately funded in the past. They were designed to transfer existing SOF programs from other major force programs to MFP-11. Even though a Service may have transferred all of the appropriate programs with their scheduled funding, that funding could be inadequate to cover the true requirements of SOF. The issue of adjustments to the content and funding of MFP-11 is addressed in the next major section.

The law that resulted in the crosswalk process required that OSD document the specific programs that were included in MFP-11 and distribute that information to Congress. Public Law 100-180 required that

On the date that such major force program category is created, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives —

(A) A certification that all program recommendations and budget proposals for special operations forces are included in such category; and

(B) A report explaining the program recommendations and budget proposals that have been included in such category.[3-6]

In compliance with the law, the Secretary of Defense forwarded the certification to Congress, but the report explaining what was included in each category was never prepared. In addition, the SOF components never received any detailed written explanation of the decisions on what programs were or were not included in MFP-11.

### **Army Crosswalk**

The Army transferred all resources identified in SOF-related Management Decision Packages (MDEPs). It also transferred a share of resources in Army-wide MDEPs that could be directly identified to SOF. Almost all the direct items designated in the guidance were included in these MDEPs. The Army transferred funding for special-operations-peculiar equipment that was used solely by SOF. It did not transfer funding for equipment such as helicopters that were to be modified for SOF but that the Army considered common. The resource responsibilities transferred to SOF are similar to those the Army gives to a major command.

A serious possible discrepancy was found in outyear funding. Some of the appropriations appear to be seriously underfunded in the outyears (see Appendix D). Otherwise, only minor funding problems were found in the transferred Army programs.

## **Navy Crosswalk**

The Navy transferred all programs clearly identified as special warfare in existing major force programs to MFP-11. The transferred programs include most of the relevant direct cost elements. That approach is in keeping with standard Navy practice whereby type commanders and major claimants, which the Navy Special Warfare Command is scheduled to become in FY90, are given control over the resources they need to accomplish their mission.

The problem with the Navy crosswalk was in the amounts transferred rather than the set of programs transferred. Although the Navy plans to increase its special warfare force structure, the funding for that increase in the outyears decreases. A partial explanation for that funding decrease may be that, in the past, the Navy has kept the base of funding for special warfare units artificially low because it was always possible and relatively easy to "get well" during each fiscal year using funds transferred from Surface Force Pacific (SURFPAC) and Surface Force Atlantic (SURFLANT), which were the commands that the special warfare units formerly reported to. Such "deep pockets" will no longer be available when the Special Warfare Command becomes a major claimant or when all of MFP-11 is put under USSOCOM's control.

Certain other funding issues also surfaced. For example, depot maintenance funding, although transferred, was not transferred completely. The amount transferred from the U.S. Pacific Fleet (PACFLT) was only 10 percent of that transferred from the U.S. Atlantic Fleet (LANTFLT) even though the workload and boat inventory are nearly identical. These O&M funding shortfalls were recently identified and corrected in Program Budget Decision (PBD) 730C, 3 December 1988, after the crosswalk process was completed.

## **Air Force Crosswalk**

The Air Force transferred all resources identified in SOF-related program decision packages (PDPs) and PEs. Those programs included most of the direct costs. It did not transfer centrally managed programs or indirect costs. The Air Force SOF component, the 23rd Air Force, was treated in an unusual way. Since it has both SOF and non-SOF units assigned, the 23rd Air Force's funding is split among MFP-11 and other Air Force MFPs.

The Air Force's previous establishment of an SOF PDP allowed both USSOCOM and the Air Force to review these resources in programming and budgeting. Consequently, funding discrepancies in the crosswalk were corrected. However, outyear funding shows some possible shortfalls (see Appendix D).

### **Reserve Components**

The Reserve components funding for O&M, military pay, and military construction were transferred into MFP-11. The Reserve components have unique command structures and procedures. Also, they had not previously identified and separated SOF costs as the active forces had. In the Army, there is a significant difference as to what the funding level should be. USSOCOM has just assumed control of the Naval Reserve special warfare units and has not had time to identify any problems. Air Force Reserve SOF units are being managed by the Air Staff and not the 23<sup>rd</sup> Air Force.

Because the circumstances within each Service are unique and the Reserve component units are managed on a decentralized basis, we recommend a separate in-depth study to establish the most effective way to fund them.

### **Crosswalk Summary**

Table 3-2 summarizes the major programs that were transferred to MFP-11 by each Service. The Services transferred funds for the direct costs relating to the daily operations of SOF units, SOF-specific training and schooling, and military personnel. They also transferred funds for special-operations-peculiar military construction, RDT&E, and procurement. Funds for indirect cost items and services, such as recruiting, medical support, basic and advanced individual training, JCS-sponsored exercises, organizational clothing and equipment, intelligence support, communications support, base operations support, and real property maintenance support, were not transferred. For the most part, the crosswalk accomplished what was intended.

In addition to inconsistencies among the Service crosswalks shown in Table 3-2, the Services failed to transfer certain essential programs with sufficient funding. Those failures, in large part, led to our recommendations for adjustments to MFP-11 as described in the next section.

**TABLE 3-2**  
**SUMMARY OF MAJOR PROGRAMS TRANSFERRED TO MFP-11**

Program	Army	Navy	Air Force
<b>Operations and Maintenance</b>			
General-purpose forces (P2)	Yes	Yes	Yes
Depot maintenance (P7M)	Yes	Yes	No
SO training (8T)	Yes	Yes	Yes
Base operations support and real property maintenance	No	Yes	No
Headquarters management	Yes	Yes	No
Other O&M	No	No	No
<b>Research, Development, Test, and Evaluation</b>			
Basic RDT&E (6.1, 6.2, 6.3A)	No	No	No
Engineering development (6.3B, 6.4)	Yes	Yes	Yes
<b>Procurement</b>			
Major end items	No	Yes	Yes
Ammunition	Yes	No	No
Other procurement	Yes	Yes	Yes
<b>Military construction</b>	Yes	Yes	Yes
<b>Military pay</b>	Yes	Yes	Yes

### RECOMMENDED ADJUSTMENTS TO MFP-11

To make MFP-11 a viable program, certain adjustments must be made to its content and funding must be added. Table 3-3 summarizes our recommended adjustments to establish an adequate outyear funding baseline, to rectify inconsistencies, and to transfer essential programs from other MFPs. See Appendix D, *Adjustments to Major Force Program-11 (SECRET)*, for additional material on this topic.<sup>1</sup>

<sup>1</sup> Separately bound.

TABLE 3-3

**RECOMMENDED FUNDING ADJUSTMENTS TO MFP-111**  
(Millions of then-year dollars)

Adjustment area	Fiscal years covered by the crosswalk						Projections for the additional fiscal years, FY92 – 97 POM			Totals
	89	90	91	92	93	94	95	96	97	
Outyear TOA										
RDT&E	-	-	-	23.4	82.2	97.8	100.5	101.3	104.0	509.2
Military Construction	-	-	-	-	16.0	30.0	31.0	31.0	32.0	140.0
Crosswalk Consistency										
Ammunition	-	6.4	7.1	17.4	7.4	7.5	7.5	7.6	7.8	68.7
Base Operations Support										
Navy	-	(1.7)	(2.1)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)	(2.2)	(16.7)
Air Force	-	15.8	16.2	16.6	16.9	17.2	17.5	17.8	18.1	136.1
Hq. Management – 23rd AF	-	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	11.9
Essential Program Transfers										
Basic RDT&E	-	-	-	41.7	42.5	43.3	44.1	44.8	45.6	262.0
SOF Headquarters	9.0	20.7	20.9	19.9	20.2	20.7	20.8	21.1	21.6	174.9
Individual Training	1.4	1.9	1.9	2.0	2.0	2.0	2.1	2.1	2.2	17.6
Army SWC <sup>2</sup> Personnel and flying-hour program	0.6	1.4	1.4	1.5	1.5	1.6	1.6	1.6	1.7	12.9
Totals	11.0	45.9	46.8	121.8	188.1	219.5	224.4	226.7	232.4	1,316.6

Notes: (1) The amounts in the table are approximate values. LMI was not provided access to POMs, PBDs, or the FYDP.

(2) SWC: Special Warfare Center, FYDP: Five-Year Defense Plan.

The shortfall in the program years of the crosswalk was \$608.9 million. If projected over the three additional fiscal years in the FY92-97 POM, this shortfall will be \$1.3 billion; \$1.2 billion of this shortfall is in the period FY92-97, the period for which USSOCOM will submit its POM. The crosswalk did not establish an adequate base of funding for MFP-11 in the outyears of the FY90-94 POM for reasons discussed in the following section. If this problem is not corrected, it will frustrate USSOCOM's efforts at resource allocation within MFP-11 because the shortfalls will be chronic.

To correct MFP-11 funding deficiencies in the outyears, OSD must increase the MFP-11 TOA because to argue each program year funding shortfall with each Service would take an inordinate amount of time and labor and would also strain relationships between the Services and USSOCOM. We believe the best way to address the problem is to increase POM fiscal guidance. Additional management or mission requirement shortfalls in the budget years should also be funded directly by OSD. Consistency and program transfer problems created by the crosswalk should be resolved by reallocating programs and funds from the Services to USSOCOM.

Solving these funding problems will require a concerted effort by ASD(SO/LIC), USCINCSOC, and the Service staffs. Because it is crucial to USSOCOM's future success in managing MFP-11, this action needs to be assigned top priority.<sup>2</sup>

The next sections explain in detail the outyear funding problem, how the crosswalk inconsistencies should be rectified, and why certain programs should be added (or subtracted) from MFP-11. The methodologies for estimating the cost of these changes are given in Appendix D.

### **Outyear Baseline Funding**

The lack of adequate outyear baseline funding for SOF is the most critical resource problem we found. In the past, most SOF problems were significant with high visibility but were relatively small in comparison to total Service resources. Thus, the Services would fix SOF problems in the budget or in the first years of the

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<sup>2</sup>The adjustments we propose do not solve shortfalls in current Service programs (e.g., 25mm ammunition or war reserve spares kits). USSOCOM must identify, quantify, and address these and other disconnects in the O&M and procurement appropriations. OSD needs to provide additional TOA guidance for MFP-11 in order to resolve these problems.



POM. This procedure took care of problems as they arose but did not establish a good base for future programs in the later years of the POM. In addition, SOF long-term requirements were neither well justified nor well supported, and, as a result, were not properly funded in the later years of the POM. When the Services transferred funding to MFP-11, the funding levels in FY89 and FY90 were, for the most part, satisfactory, but funding almost disappeared in the outyears. USSOCOM's first POM will inherit those very lean years.

Although similar conditions exist in other appropriations, the best example of this problem is RDT&E. One of the reasons MFP-11 and USSOCOM were established was to improve the development and acquisition of special-operations-peculiar equipment. The major impetus for any development and acquisition is RDT&E funding. Therefore, adequate RDT&E funding is necessary to meet future threats. The profile for the RDT&E funds transferred from one Service – the Army – to MFP-11 is shown in Figure 3-1.

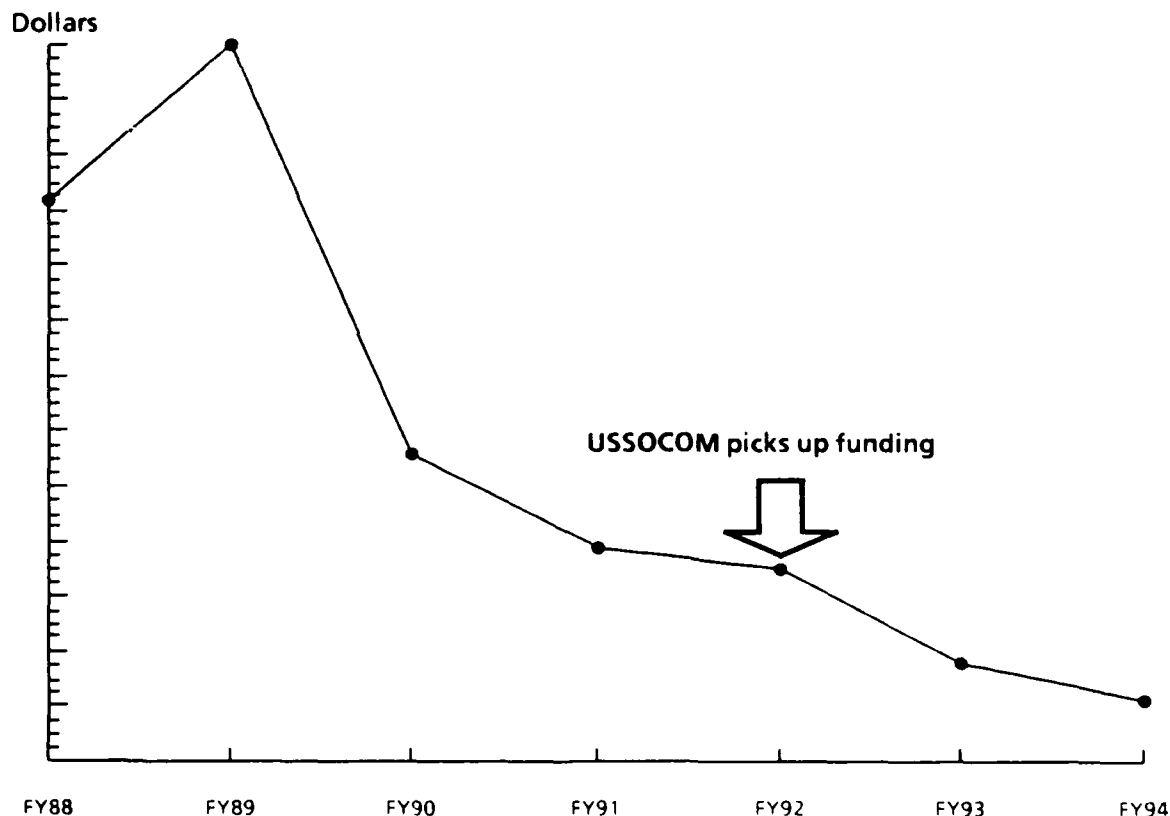


FIG. 3-1. ARMY MFP-11 RDT&E FUNDING PROFILE

This funding profile shows that RDT&E was well funded in the early years.<sup>3</sup> The level shown in Figure 3-1 for FY88 and FY89 may even be high because of the recent emphasis on SOF. However, in later years, the funding falls more than 80 percent to a level that will not support future programs. The absence of "Basic RDT&E" funding for SOF will compound this problem because no new items will be in development in the process that feeds and justifies subsequent RDT&E. (Basic RDT&E funding is discussed under *Program Funding Not Transferred* subsequently in this chapter.) Without adequate RDT&E funds, modernization of SOF units eventually will falter. Items that have not been developed cannot be procured, and even off-the-shelf items cannot be procured without some test and evaluation.

The arrow on the chart shows when USSOCOM will pick up the funding for SOF RDT&E. The funding levels that USSOCOM will inherit make it clear that its POM will not have sufficient funding to develop realistic programs. USCINCSOCs only recourse then will be to appeal to the Defense Resources Board for funds that should have been provided in his program.

RDT&E is not the only component that the Services underfunded in the outyears. Other essential programs, although transferred, were uniformly underfunded in the outyears. For example, the Navy made no provision to account for its increased force structure. (However, that problem was corrected by a recent PBD). No provision was made to fund unspecified generic requirements. For example, specific military construction (MILCON) projects that are scheduled for the next few years were funded. However, in the outyears, USSOCOM will still need some level of MILCON although the specific projects have not been identified. No funding was put into the SOF program for these as-yet unspecified projects.

In Table 3-3, we recommend a realistic baseline program funding for RDT&E and military construction based on historic appropriations and SOF funding levels. However, the same type of baseline funding shortfall exists for major equipment procurement. The Services transferred funding for major end items, e.g., aircraft, into MFP-11 for the current equipment buy only. Once those items are purchased, MFP-11 has no funds for the next generation of equipment. Thus, all SOF fund requirements for major equipment must be added by OSD during POM/budget

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<sup>3</sup>The RDT&E funding discussed here is funding for System Specific Advanced Development (6.3B) and Engineering Development (6.4).

deliberations or MFP-11 funding must be increased to include an adequate baseline procurement amount to plan for future major equipment purchases. The adjustments shown in Table 3-3 do not include funding for any additional procurement.

### **Rectifying Inconsistencies**

Many of the inconsistencies in the Service crosswalks shown in Table 3-2 are artifacts of the idiosyncrasies of the underlying Service programming systems. Their removal may make it more difficult for the Service personnel to relate to MFP-11. Nevertheless, we recommend that the steps described in the following subsections be taken so that a clearer picture of the resources dedicated to SOF can be drawn and so USSOCOM can more readily exercise control over its resources.

#### ***Ammunition***

The Army transferred ammunition funding to MFP-11, but neither the Navy nor the Air Force did so. Ammunition is an identifiable direct cost for which SOF has a peculiar requirement that differs greatly from typical Service units. Because sufficient ammunition is a critical asset for SOF training and contingencies, we recommend that funds for all ammunition for SOF should be transferred into MFP-11.<sup>4</sup>

#### ***Base Operations Support***

The correct model for allocating BOS costs between MFP-11 and other MFPs is the host-tenant relationship. In this relationship, the host at the installation manages BOS for the entire installation. The host also programs BOS funding for its units and other units in its Service that are tenants. Tenant units of another Service or agency pay their host for BOS from their Service or agency program. We examine three cases.

In the first case, when a SOF unit is the installation host, we recommend that it program and manage BOS funding for the installation, and that the funding be

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<sup>4</sup>Although including funds for items such as ammunition in MFP-11 is implied in its definition, the PE descriptions omitted this consumable investment account. The *On-going Operations* PE included costs directly associated with individual unit operations and training, and that is where ammunition should have been included. However, the investment accounts definition in the *On-going Operations* PE listed only costs for minor and replacement equipment and spare parts. The new PE definitions should correct this problem.

included in MFP-11. This situation now applies only at Hurlburt Field where the 1st Special Operations Wing is host. The additional funding is shown in Table 3-3.

In the second case, when a SOF unit is a tenant on a base of the same Service, we recommend that the Service continue to program BOS for that unit. We further recommend that this BOS funding relationship be included in the General Agreements (see Chapter 4) and that, if necessary, BOS cost-reimbursement regulations be modified.

The alternative to continuing the current host-tenant relationship would be to move BOS resources for those units to MFP-11. However, this approach would require determination of pro-rata shares of BOS costs for SOF units at each installation, their inclusion in the SOF POM, and then their reimbursement to the Services. We can see no value added by this approach.

In the third case, when a SOF unit is a tenant on a base run by a different Service, we recommend that the BOS it pays to the host Service be included in MFP-11. This situation does not apply to any units at this time.

Unique costs, such as those for modifying a room for classified work, are borne by the tenant and the Services should transfer the funds to pay for them to MFP-11. None of the Services transferred funds for these unique costs during the crosswalk. The adjustment for these funds is included in Table 3-3 as part of SOF Headquarters funding.

The only BOS funding transferred to MFP-11 was for the Navy Special Warfare Center. Since that Center is not an installation host, its BOS costs should be removed from MFP-11 and replaced by the correct host-tenant arrangement.

### ***Headquarters Management***

USSOCOM, 1st SOCOM, and Navy Special Warfare Command were treated in the crosswalk as SOF commands, and therefore the funding for their command headquarters was transferred to MFP-11. In contrast, because the Air Force's 23rd AF Headquarters was assigned both SOF and other Air Force units, its funding was not transferred to MFP-11. That decision allowed the Air Force to continue to fund the 23rd AF during funding emergencies. However, since that decision was made, circumstances have changed in two ways. First, because OSD transferred control of MFP-11 to USSOCOM, the Air Force is unlikely to provide its limited

funding to support any future 23<sup>rd</sup> AF MFP-11 problems. Second, the National Defense Authorization Act for FY88 and FY89 [3-7], stated that USSOCOM should prepare program recommendations and budget proposals for special operations forces and *other* forces assigned to the special operations command. Since the 23<sup>rd</sup> AF is assigned to USSOCOM, its Headquarters funding requirements should be in MFP-11. In light of the changes that have occurred since the crosswalk, we recommend that funding of 23<sup>rd</sup> AF Headquarters be transferred to MFP-11.

### ***Major End Item Equipment***

Because the Services received limited guidance as to what equipment should have been included in MFP-11, funding was transferred inconsistently. The Air Force transferred its SOF aircraft and modifications procurement; whereas, the Army transferred its SOF aircraft modifications but not its helicopters because it felt that SOF modification to the helicopters did not change them enough to make them peculiar. All funding for SOF-required new equipment and modifications should be in MFP-11. Such new equipment is a direct cost and should be under the control of USSOCOM. The Air Force and Navy transferred these funds into MFP-11; we recommend that the Army do the same. This logic is supported by the FY90-91 Budget PBD that put the Army's MH-60K aircraft procurement for SOF into MFP-11.

### ***Depot Maintenance***

Depot maintenance is a direct cost and should, conceptually, be included in MFP-11. The Army and Navy transferred their depot maintenance funding for special-operations-peculiar equipment into MFP-11, but the Air Force did not. However, we believe that the Air Force's decision is reasonable because aircraft should be managed on a fleetwide basis. Thus it would be neither productive nor efficient to transfer their depot maintenance funding to MFP-11.

Depot maintenance management is centralized in the Air Force. Predicting when an aircraft requires depot maintenance, evaluating whether a particular aircraft requires depot maintenance when predicted, and scheduling the aircraft into a depot are highly technical functions and are calculated on a fleetwide basis. If USSOCOM took over management of depot maintenance for its aircraft, it would have to duplicate these technical functions or simply return operational control to the Air Force. Returning control to the Air Force would create problems when, for

instance, an aircraft overhaul was slipped from one fiscal year to the next. The decision to slip an overhaul would be the Air Force's; but the funding would be USSOCOM's. USSOCOM would not be able to move the funding from one year to the next and, thus, the funds would be lost. Therefore, unless some value added to the command could be demonstrated by having management control, it is appropriate to leave the management and funding for depot maintenance under centralized Air Force control and not transfer the funds to MFP-11.

The Army transferred funds for depot maintenance to MFP-11 for its special-operations-peculiar equipment. However, it did not transfer any aircraft depot maintenance because it considered its special operations aircraft as common. When funding for Army SOF aircraft is transferred into MFP-11, we recommend that their depot maintenance remain within the Army for the same reasons as apply to the Air Force.

The Navy transferred its depot maintenance funding for boats into MFP-11. This funding should remain in MFP-11 because boats are scheduled according to calendar time since last overhaul, and the Navy customarily gives major claimants control over boat overhaul funding.

#### **Program Funding Not Transferred**

##### ***Basic R&D – Technology Base and Advanced Technology Development***

None of the Services transferred basic research funds. Basic research and development consists of the RDT&E PE's for *Research* (6.1), *Exploratory Development* (6.2), and *Nonsystem-Specific Advanced Development* (6.3A). This technology base consists of general RDT&E not tied to a specific weapon or item. Because this work is general, it was not previously identified to any particular SOF activity and consequently did not fit the guidance to be transferred to MFP-11. However, some of this type funding would eventually lead to procurement of future special-operations-peculiar systems.

Now that USSOCOM is authorized its own POM and budget, the logic of what should be in MFP-11 changes. USSOCOM will have to manage an entire Research, Development and Acquisition (RDA) program from beginning to end. The Services will no longer be obliged to direct part of their technology base toward SOF because they will no longer be responsible for SOF units. The technology base is essential to

SOF to ensure continuity in development of new SOF equipment. In order to meet its technology base requirements, USSOCOM now needs to have its share of the technology base reprogrammed into MFP-11. Eventually, the absence of that funding will have a profound effect on outyear capabilities and acquisitions. We recommend that this funding be included in MFP-11.

### ***SOF Headquarters Funding***

During the crosswalk, the Services only transferred existing programs from other MFPs to MFP-11. The crosswalk was not designed to provide additional funding for any new missions or additional requirements. USSOCOM headquarters received only the funding level that was used to support the now-defunct U.S. Readiness Command (REDCOM). However, REDCOM did not have responsibilities for the Planning, Programming, and Budgeting System (PPBS), developing and acquiring equipment, or commanding permanently assigned units. Consequently, no resources are provided for any of these responsibilities in MFP-11. USSOCOM did receive a small temporary increase in funding from the Joint Chiefs of Staff for one-time start-up costs, such as setting up databases; however, that funding is not adequate for its new and continuing requirements. We recommend that the TOA for MFP-11 be increased to provide additional resources for USSOCOM's new responsibilities.

USSOCOM's component headquarters face similar problems. No significant funds have been provided for their new missions and responsibilities. Their total requirement cannot be determined until their responsibilities in PPBS and acquisition are established. As a minimum, they require additional funds for temporary additional duty (TDY), data processing, and facilities modification.

### ***John F. Kennedy Special Warfare Center Transfers***

The flying-hour program at the John F. Kennedy Special Warfare Center (SWC) requires special attention. CH-47 and UH-1 helicopter support for courses at the Center are currently funded by the Fort Bragg BOS. This essential support is a direct cost of operating the training for special operations classes. The Center should have control over the amount and type of aircraft support for its courses. We recommend that these funds and the associated flying-hour program be transferred to MFP-11.

In addition, the MFP-11 crosswalk did not transfer funding for all of the personnel and SOF training program for the SWC. It transferred most of the civilian personnel costs but not the costs of personnel who worked on Army-wide support. Since the crosswalk, additional training personnel have been added to SWC to support an increased number of students. We recommend that both of these personnel costs be transferred to MFP-11.

### ***Individual Training***

All Services transferred funding for special warfare schools, centers, and courses but not for other training. The Services also retained individual training, skill training, and TDY costs associated with skill improvement for SOF personnel.<sup>5</sup> The Air Force centrally manages this training and provides TDY for approved quotas. The Army and Navy decentralize this control. They provide funding to the commands to schedule and fund for training their personnel. Army and Navy SOF units are now providing this funding from MFP-11 although neither Service transferred funding for it. The funds for individual training in the Army and Navy should be transferred into MFP-11 so that SOF units can program and function like other Service units. These funds can remain in the Air Force as long as support for this training is established in the general agreement.

## **ISSUES IN THE OPERATION OF MFP-11**

### **Reprogramming**

Even after the content of MFP-11 is fully defined and the correct funding amounts are transferred to it, certain operational problems will remain. The first such problem is the lack of a reprogramming capability, a situation that will make it difficult to use SOF in contingencies and to deal with other program changes.

This reprogramming problem has several manifestations. First, legislated limits make it difficult to transfer money in and out of any major force program. Compounding those limits, the movement of resources in and out of MFP-11 is subject to additional strictures on reprogramming. Any transfer of funds requires by law the concurrence of the Secretary of Defense or his Deputy [3-7]. Although that law was enacted to protect SOF resources, it also has the adverse effect of making it

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<sup>5</sup>"TDY costs associated with skill improvement" are the costs to send a person from a unit to an enhancement or skill course and then return to the original unit.



very difficult to help SOF with transfers from other programs. This problem can be mitigated by requesting that Congress remove the restrictions on transfers of money into MFP-11 while retaining the restrictions on transfers out. Congress could also increase the reprogramming threshold for MFP-11 to \$25 million. In addition, the Services should be required to fund Service-directed missions and contingencies levied on SOF but not previously programmed for in MFP-11. A mechanism should be developed to facilitate such transfers of funds.

### **USSOCOM Control of MFP-11**

Other issues will arise with USSOCOM's control of MFP-11. The most obvious of these is that the Command will have to create its own POM development process. In that process, it will have to gather all of the relevant data, determine strategy, allocate resources, and produce a POM and the associated Five-Year Defense Program (FYDP) data that can be forwarded to OSD. This process need not be cumbersome and slow. It should not simply mimic the POM development processes used by the Services. Those processes have to deal with many layers of management, a much larger set of units, and resources several orders of magnitude greater than does the USSOCOM process. The Command should use innovative methods to create a simple, responsive POM development process tailored to its unique circumstances: a single mission, a small set of units, several billion dollars of resources, and a group of decision makers small enough to come together when needed in one room.

USSOCOM will have to expend a major effort to develop such an innovative process. One person must be given authority to address the totality of the problem and have a wide enough perspective to discern the interests of the Command as a whole. That person must also have a staff and support sufficient to coordinate the efforts of the Command to get the job done.

The development of the Command's POM process is complicated by the fact that it must also remain coordinated with each of the POM processes in the three Military Departments. That this coordination is critical can be illustrated by two examples.

- *Manpower* – The Command's POM calls for the addition of a special operations unit in the Army. The Army POM must then allow for an additional increment of recruits to have received initial training and be

available to the special operations school so that they can be trained by the time the unit stands up.

- *Acquisition* — The Command wishes to acquire an additional dry-deck shelter for the SEALs and puts the resources to do so in its POM. The Navy must plan to have a submarine available on which to install the shelter.

As those examples show, coordination with the Services is essential for many things that the command will want to do. In particular, USSOCOM will have to coordinate with the Service planning and programming systems. This coordination will require planning and the Command's POM process will have to reflect that planning.

A crucial ingredient in creating the Command's POM process is people. USSOCOM must have the right people in sufficient numbers to make the process work. The effort to find the right people has started at USSOCOM Headquarters. We believe that the Command should take two additional steps. First, the needs of the component commands for billets and expertise should be assessed and action taken to make sufficient billets and expertise available. Those needs will depend on how the process is defined and how responsibilities are divided between the command headquarters and the component commands. It might be a good idea to minimize the staff and effort that the component commands expend on POM development. The Navy Special Warfare Command plans to minimize component command staff and effort because it feels that it is closest to the traditional Navy way of doing business. We believe that this centralized Navy model is easier to follow than the Army's decentralized model because of the small size of the special operations forces.

The second step that USSOCOM should take is to identify the Service headquarters and major command staff currently supporting special operations and get control of them, either by having them assigned to USSOCOM or, preferably, by securing an agreement under which they would represent the interest of the Command but remain part of the Service staffs. The rationale for this recommendation is that these people perform a crucial coordinating role within the Service staffs and that role will continue to need to be filled for the same reasons as given in the earlier examples. These people would probably be more effective if they retain their Service staff identity because they would then be considered one of the team and be privy to the decisions being taken in real time.

Finally, an issue that must be addressed is the establishment of internal management controls. Once USSOCOM is responsible for the resources, its own written procedures are required to ensure proper responsibility and control over Government funds. As part of this, an internal management control program must be established for all USSOCOM units.

## CHAPTER 4

### GENERAL AGREEMENTS

#### BACKGROUND

##### Development

Chapter 3 provides an analysis of MFP-11 and includes recommendations for a set of adjustments to its content and funding to make it correct, coherent, and complete as defined. However, even if adjusted as recommended, MFP-11 will not contain all the resources needed for SOF.

This situation points to the fundamental axiom of the SOF program: the forces are dependent on the three Military Departments and the Defense agencies for virtually all of their support. After USSOCOM has acquired control over MFP-11, the Military Departments and Defense agencies will be under no obligation to use their own resources to support SOF.<sup>1</sup> Thus, unless USSOCOM *negotiates* with them for such support, that support may not be there when needed.

We recommend that a set of general agreements be negotiated at the earliest opportunity. These general agreements (memoranda of agreement) will define the support that the Military Departments and Defense agencies will provide to SOF. After the negotiations, whatever additional support is required will have to be added into MFP-11.

We envision that the general agreements would be negotiated on a program-to-program level, i.e., the relationship of MFP-11 to the other 10 MFPs as aggregated in each Service's program (or agency program if appropriate). The general agreements would not eliminate the need for various procedural agreements between USSOCOM and the Military Departments and Defense agencies; such procedural

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<sup>1</sup>This situation results from the law and the subsequent definition of MFP-11. The law (10 USC) assigns to the Service Secretaries responsibility for many of the basic functions that generate and sustain SOF, including recruiting, supplying, and training. As discussed in Chapter 3, MFP-11 has only direct costs for SOF. The indirect costs remain with the Military Departments and Defense agencies.

agreements would be needed to cover details of POM development, acquisition management, etc.

Circumstances may warrant that some agreements be executed at the activity level between SOF units and host commands. However, one of the objectives of the general agreements should be to minimize the need for such agreements at lower levels.

## **Schedule**

The development of the general agreements will be a complex and lengthy process. In our initial conversations with the Military Departments on the subject of general agreements, they indicated that 6 to 9 months would be required for the negotiations. Work on the agreements should begin immediately now that USCINCSOC has been authorized to take control of MFP-11 and the DoD components have been directed to assist him in the PPBS process [4-1].

## **DEVELOPING AND NEGOTIATING THE AGREEMENTS**

### **Content of the Agreements**

The short history of MFP-11 provides little basis for identifying a set of issues to be resolved through negotiation. While current operations have pointed to some issues arising under the Services' control of MFP-11,<sup>2</sup> there is no experience with USSOCOM's control of the program.

Therefore, USSOCOM should identify a wide-ranging set of issues at a sufficient level of detail to allow for the likely contingencies. We believe that appropriations accounts – O&M, RDT&E, Procurement, Military Pay, and Military Construction (MILCON) – provide a good starting point for analysis and that two levels of detail lower than the appropriations – program elements within budget activities – would provide the resolution necessary to identify the set of issues to be negotiated. For example, in the Army, under the "Training" budget activity within the O&M appropriation, three of the PEs – such as *Recruit Training*, *Officer Acquisition*, and *Training Support* – would provide the level of detail needed to identify issues relative to the Army providing, acquiring, and training sufficient

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<sup>2</sup>Many of these problems are discussed in Chapter 3.

personnel to man Army SOF units. This level of detail is commonly understood, clearly defined, and measurable.

Among the several aspects of each individual issue that may need to be discussed are the following:

- Any procedures that will be required
- Allocation of funding responsibilities
- Priority SOF requirements will receive
- Quantities.

Because the nature of funds in programs and budgets is subject to change, assignment of specific dollar amounts should be avoided.

### **Organization and Management of the Negotiation Process**

The negotiation process will undoubtedly be lengthy and complex; thus, USSOCOM should form a task-oriented organization to see the negotiation process through from beginning to end. Such an organization can keep the process going, focus on the results, and provide corporate memory.

Because the agreements are critical to the long-run success of the special operations program, the task-oriented organization should include the most capable staff members available. Persons of sufficient rank and experience should be assigned so that USSOCOM can be effectively represented in the negotiations. USSOCOM may have to turn to specialists for some negotiating sessions. Finally, the organization should be placed at a high level in the command, at least at the chief-of-staff level, to coordinate positions effectively throughout the Command.<sup>3</sup>

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<sup>3</sup>Effective negotiation requires a breadth of technical knowledge and a range of interpersonal skills. Successful negotiation is dependent on the negotiators having a fundamental understanding of the art of negotiation. Negotiation is the meeting of two minds, each recognizing the other as having a different but legitimate position, each with the authority to alter his/her starting position, and each willing to give something to get something in return. Short-term training in negotiating skills development for those in the task organization charged with the actual negotiations would be useful.

The following steps are recommended in the negotiation process:

- Identify the set of issues
- Develop negotiating positions
- Set up a schedule for the negotiations
- Conduct the negotiations
- Integrate the results of the negotiations into a draft agreement
- Staff the draft agreement
- Sign the agreement
- Monitor implementation of the agreement, and modify it as necessary.

In order to get this process off to a good start, USSOCOM should have a kick-off meeting with the Secretary of each Military Department and the Director of DLA in order to solicit their support.<sup>4</sup> USSOCOM should request that each meeting participant designate a single point of contact, appropriately positioned, to manage the negotiations.

Identification of the issues is at the heart of the process. The areas for negotiation will be defined by the set of program elements within appropriations. That set of areas for negotiation should be circulated among the players: select offices in OSD, the Military Departments, DLA, USSOCOM, and its components.<sup>5</sup> Results from this step should be circulated to appropriate parties so that each can develop its positions (alternatives).

At that point, USSOCOM can develop and promulgate a schedule for the negotiations.<sup>6</sup> As a practical matter, most of the negotiations should take place in Washington. Some negotiations could be brief one-on-one sessions with a mutually

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<sup>4</sup>DLA is recommended as the primary Defense agency for negotiating an agreement. Other agencies may be included as circumstances warrant.

<sup>5</sup>Distribution of the *USCINCSOC Operational Concept* of 19 August 1988 to the players will help them frame the issues for the negotiations from their perspective.

<sup>6</sup>The number of negotiations needed is difficult to specify at this time. On the basis of the number of budget activities within the five appropriations, approximately 30 sessions per Military Department would be required. At the PE level, the number would be much higher, perhaps as many as 100 per Military Department. The task organization should try to aggregate these negotiations in meaningful ways.

acceptable position reached quickly. Other negotiations may require a number of personnel participating in a workshop over a period of time.

The objective of the negotiations is to develop an agreement on the integration and support of MFP-11 by the Military Department and agency programs. Thus, areas that prove too difficult to negotiate readily should be set aside for negotiation into a separate agreement (a procedural agreement) if necessary so that completion of the general agreements is not delayed. If agreement cannot be negotiated for areas that must be included in a general agreement, we recommend that ASD(SO/LIC) bring the issue involved to the attention of the Deputy Secretary of Defense for resolution.

The results in each area must be monitored and continuously integrated throughout the negotiating process. The set of results will provide a basis for a draft agreement, which should be circulated among the appropriate parties for staffing. If additional, final negotiations are necessary, they should be accomplished at the ASD(SO/LIC) and Military Department Secretary level. When these negotiations are complete, the agreement should be signed by ASD(SO/LIC), the Military Department Secretary (or director of a Defense agency), and USCINCSOC.

In summary, the general agreements are vital to the long-term success of the special operations community. We believe that the process of negotiation will be lengthy and complex and will absorb a great deal of USSOCOM's limited resources. However, this sacrifice is necessary. One additional benefit of working through this process will be the extensive knowledge gained by USSOCOM personnel into the intricacies of what it takes to make SOF work.



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- [3-1] *National Defense Authorization Act for Fiscal Year 1987*, (Public Law 99-661), 99th Cong., 14 Nov 1986.
- [3-2] Memorandum for Secretaries of the Military Departments and Chairman of the Joint Chiefs of Staff. From Donald C. Latham, Assistant Secretary of Defense (Command, Control, Communications and Intelligence), and Richard L. Armitage, Assistant Secretary of Defense (International Security Affairs). Subject: *Guidance on Implementation of Major Force Program 11, Special Operations*. 6 Feb 1987.
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- [3-5] *FYDP Program Structure*, DoD Handbook 7045.7-H. Aug 1987.
- [3-6] *National Defense Authorization Act for Fiscal Years 1988 and 1989*, (Public Law 100-180), 100th Cong., 4 Dec 1987.
- [3-7] Memorandum for Secretaries of the Military Departments, et al. From William H. Taft IV, Deputy Secretary of Defense. Subject: *Control of Major Force Program 11 (MFP) Resources, Special Operations*. 29 Sep 1987.

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**APPENDIX A**

**TITLE 10 U.S. CODE SECTION 167 AS AMENDED**

## TITLE 10 U.S. CODE SECTION 167 AS AMENDED

This appendix presents Title 10, U.S. Code 167, as amended. That code establishes the U.S. Special Operations Command (USSOCOM). Amendments to the code are indicated by lines through the changed words.

*(a) ESTABLISHMENT. — With the advice and assistance of the Chairman of the Joint Chiefs of Staff, the President, through the Secretary of Defense, shall establish under section 161 of this title a unified combatant command for special operations forces (hereinafter in this section referred to as the "special operations command"). The principal function of the command is to prepare special operations forces to carry out assigned missions.*

*(b) ASSIGNMENT OF FORCES. — Unless otherwise directed by the Secretary of Defense, all active and reserve special operations forces of the armed forces stationed in the United States shall be assigned to the special operations command.*

*(c) GRADE OF COMMANDER. — The commander of the special operations command shall hold the grade of general or, in the case of an officer of the Navy, admiral while serving in that position, without vacating his permanent grade. The commander of such command shall be appointed to that grade by the President, by and with the advice and consent of the Senate, for service in that position.*

*(d) COMMAND OF ACTIVITY OR MISSION. — (1) Unless otherwise directed by the President or the Secretary of Defense, a special operations activity or mission shall be conducted under the command of the commander of the unified combatant command in whose geographic area the activity or mission is to be conducted.*

*(2) The commander of the special operations command shall exercise command of a selected special operations mission if directed to do so by the President or the Secretary of Defense.*

*(e) AUTHORITY OF COMBATANT COMMANDER. — (1) In addition to the authority prescribed in section 164(c) of this title, the commander of the special operations command shall be responsible for, and shall have the authority to conduct,*

*all affairs of such command relating to special operations activities, including the following functions: activities.*

*(2) The commander of such command shall be responsible for, and shall have the authority to conduct, the following functions relating to special operations activities (whether or not relating to the special operations command):*

*(A) Developing strategy, doctrine, and tactics.*

*(B) Preparing and submitting to the Secretary of Defense program recommendations and budget proposals for special operations forces and for other forces assigned to the special operations command.*

*(C) Exercising authority, direction, and control over the expenditure of funds —*

*(i) for forces assigned to the special operations command; and*

*(ii) for special operations forces assigned to unified combatant commands other than the special operations command, with respect to all matters covered by paragraph (4), and, with respect to a matter not covered by paragraph (4), to the extent directed by the Secretary of Defense.*

*(D) Training assigned forces.*

*(E) Conducting specialized courses of instruction for commissioned and noncommissioned officers.*

*(F) Validating requirements.*

*(G) Establishing priorities for requirements.*

*~~(F) Ensuring combat readiness.~~*

*~~(G) Developing and acquiring special operations-peculiar equipment and acquiring special operations-peculiar material, supplies, and services.~~*

*(H) Ensuring the interoperability of equipment and forces.*

*(I) Formulating and submitting requirements for intelligence support.*

*(J) Monitoring the promotions, assignments, retention, training, and professional military education of special operations forces officers.*

~~*(2) The commander of such command shall be responsible for monitoring the preparedness of special operations forces assigned to other unified combatant commands to carry out assigned missions.*~~

*(3) The commander of the special operations command shall be responsible for –*

*(A) ensuring the combat readiness of forces assigned to the special operations command; and*

*(B) monitoring the preparedness to carry out assigned missions of special operations forces assigned to unified combatant commands other than the special operations command.*

*(4)(A) The commander of the special operations command shall be responsible for, and shall have the authority to conduct the following:*

*(i) Development and acquisition of special operations-peculiar equipment.*

*(ii) Acquisition of special operations-peculiar material, supplies, and services;*

*(B) Subject to the authority, direction, and control of the Secretary of Defense, the commander of the command, in carrying out his functions under subparagraph (A), shall have authority to exercise the functions of the head of an agency under chapter 137 of the title.*

*(C) The staff of the commander shall include an inspector general who shall conduct internal audits and inspections of purchasing and contracting actions through the special operations command and such other inspector general functions as may be assigned.*

*(f) BUDGET. — In addition to the activities of a combatant command for which funding may be requested under section 166(b) of this title, the budget proposal of the special operations command shall include requests for funding for —*

*(1) development and acquisition of special operations-peculiar equipment; and*

*(2) acquisition of other material, supplies, or services that are peculiar to special operations activities.*

*(g) INTELLIGENCE AND SPECIAL ACTIVITIES. — This section does not constitute authority to conduct any activity which, if carried out as an intelligence activity by the Department of Defense, would require —*

*(1) a finding under section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422); or*

*(2) a notice to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives under section 501(a)(1) of the National Security Act of 1947 (50- U.S.C. 413).*

*(h) REGULATIONS. — The Secretary of Defense shall prescribe regulations for the activities of the special operations command. Such regulations shall include authorization for the commander of such command to provide for operational security of special operations forces and activities.*

*(i) IDENTIFICATION OF SPECIAL OPERATIONS FORCES. — (1) Subject to paragraph (2), for the purposes of this section special operations forces are those forces of the armed forces that —*

*(A) are identified as core forces or as augmenting forces in the Joint Chiefs of Staff Joint Strategic Capabilities Plan, Annex E, dated December 17, 1985;*

*(B) are described in the Terms of Reference and Conceptual Operations Plan for the Joint Special Operations Command, as in effect on April 1, 1986; or*

*(C) are designated as special operations forces by the Secretary of Defense.*

*(2) The Secretary of Defense, after consulting with the Chairman of the Joint Chiefs of Staff and the commander of the special operations command, may direct that*

*any force included within the description in paragraph (1)(A) or (1)(B) shall not be considered as a special operations force for the purposes of this section.*

*(j) SPECIAL OPERATIONS ACTIVITIES. — For purposes of this section, special operations activities include each of the following insofar as it relates to special operations:*

- (1) Direct action*
- (2) Strategic reconnaissance*
- (3) Unconventional warfare*
- (4) Foreign internal defense*
- (5) Civil affairs*
- (6) Psychological operations*
- (7) Counterterrorism*
- (8) Humanitarian assistance*
- (9) Theater search and rescue*
- (10) Such other activities as may be specified by the President or the Secretary of Defense.*

*(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:*

*167. Unified combatant command for special operations forces.*

*(c) MAJOR FORCE PROGRAM CATEGORY. — The Secretary of Defense shall create for the special operations forces a major force program category for the Five-Year Defense Plan of the Department of Defense. The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, with the advice and assistance of the commander of the special operations command, shall provide overall supervision of the preparation and justification of program recommendations and budget proposals to be included in such major force program category.*



(i) *EFFECTIVE DATE.* — Section 167 of title 10, United States Code (as added by subsection (b)), shall be implemented not later than 180 days after the date of the enactment of this Act.

## **APPENDIX B**

### **STEPS IN IMPLEMENTATION OF USSOCOM'S ACQUISITION OPERATIONAL CONCEPT**

## STEPS IN IMPLEMENTATION OF USSOCOM'S ACQUISITION OPERATIONAL CONCEPT

### INTRODUCTION

In our previous report, *The Next Step for Special Operations: Getting the Resources To Do the Job*, we summarized the challenges facing the U.S. Special Operations Command (USSOCOM) in acquiring special-operations-peculiar items and services for its forces.<sup>1</sup> We also briefly described the acquisition process itself – the goals for special operations acquisition, in particular – and recommended an organizational structure for that process.

The structure we recommended called for a Special Operations Acquisition Executive (SOAE), a program executive officer, and one or more program managers. Such an organization would be in accordance with the requirements of DoD Directive (DoDD) 5000.1 and would facilitate coordination with the acquisition organizations in the Services.<sup>2</sup> (The USSOCOM acquisition organization should be separate from the USSOCOM J-Staff.) We also recommended that the SOAE be a high-level civilian reporting to the Commander, U.S. Special Operations Command (USCINCSOC), and that the SOAE and staff be located in Washington. [Until that position is established and filled, we recommended that the Deputy Commander in Chief (DCINC) be the interim SOAE.]

We concluded that, although the special operations community needed to be a full participant in the Defense acquisition system to fulfill its responsibilities, it was not organized, staffed, nor experienced enough to control or manage significant acquisitions. We recommended that the USSOCOM staff move into the acquisition arena with deliberate speed, taking on responsibilities only as fast as its staffing and experience allowed.

We also recommended that the command take the initiative in developing its acquisition system, and it has done so. Many of our recommendations were

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<sup>1</sup>*The Next Step for Special Operations: Getting the Resources To Do the Job*, James E. Giles III, et al., LMI Report SO801R1, Aug 1988.

<sup>2</sup>*Major and Non-Major Defense Acquisition Programs*, DoD Directive 5000.1, 1 Sep 1987.

incorporated into the *USSOCOM Acquisition Operational Concept*, which has been approved by USCINCSOC.

In order to implement that concept some specific questions need to be answered. Two of the more important questions are as follows:

- What are the roles of the Assistant Secretary of Defense (Special Operations and Low Intensity Conflict) [ASD(SO/LIC)] and USCINCSOC in the acquisition management process?
- How should acquisition programs be allocated between USSOCOM and the Military Departments?

The remainder of this appendix briefly addresses these questions.

## **ACQUISITION MANAGEMENT ROLES**

### **ASD(SO/LIC) Role**

In the management of special operations acquisition, ASD(SO/LIC) and USCINCSOC have distinct yet complementary roles.<sup>3</sup> The ASD(SO/LIC) should review and facilitate special operations projects, and USCINCSOC actively manage them.

We believe that ASD(SO/LIC) can play three key roles. The first is to review the mission requirements and the acquisition programs proposed for meeting those requirements. For major systems, this review will be part of the ASD(SO/LIC) duties as a participant on the Defense Acquisition Board (DAB). For less than major systems, we recommend that ASD(SO/LIC) review the baseline requirements as they are proposed by USSOCOM.<sup>4</sup> That procedure will prevent the users (USSOCOM) from being able to generate and approve their own requirements.

The second role is to facilitate the acquisition of special operations force's (SOF) equipment. ASD(SO/LIC) should do this by engaging the support of the Services for streamlined methods and procedures when they are executing SOF acquisitions.

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<sup>3</sup>The specific ways that the special operations community participates in the Defense Acquisition System will be determined by the Under Secretary of Defense (Acquisition).

<sup>4</sup>Depending on the preferences of ASD(SO/LIC), dollar value (for RDT&E and procurement) or some other criterion (e.g., congressional interest) should be developed to limit the number of programs reviewed by the ASD(SO/LIC).

In his third role, ASD(SO/LIC) can provide valuable advice on acquisition matters because of position and location. For example, ASD(SO/LIC) should advise USCINCSOC when USCINCSOC selects the SOAE. For the same reasons, ASD(SO/LIC) and USCINCSOC should also coordinate on any agreements with the Services and Defense agencies regarding acquisition.<sup>5</sup>

### **USCINCSOC Role**

USCINCSOC is primarily responsible for the acquisition of special-operations-peculiar equipment and services. That role encompasses all of the remaining issues in acquisition management although many of these roles will devolve to the SOAE.

The law, 10 USC 6167, provides that USCINCSOC, subject to the authority, direction, and control of the Secretary of Defense "shall have authority to exercise the functions of the head of an agency under Chapter 137 of . . . (Title 10)." In order to prevent future misunderstanding or improper interpretation of that authority, a charter should be developed for USCINCSOC. The charter should be specific as to the duties and responsibilities that USCINCSOC has as Head of Agency. We recommend that his charter include the following duties and responsibilities:

- Appoint a Senior Procurement Executive and have that designation reflected in Subpart 202.1 of the Department of Defense FAR (Federal Acquisition Regulation) Supplement, the DFARS.
- Organize, direct, and manage acquisition of all special-operations-peculiar systems.
- Develop acquisition policies, issue guidance, and assign project responsibility to the Services and Defense agencies.
- Develop systems and procedures for the administration and management of approved SOF acquisition plans and programs, establish goals and objectives, set priorities, and evaluate the Service and Defense agency execution.
- Act, whenever necessary, as source-selection authority for special-operations-peculiar acquisitions.
- Serve as the head of an agency and contracting activity.

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<sup>5</sup>I.e., cost, schedule, and performance requirements contained in procedural agreements, acquisition plans, or funding documents.

- Authorize the allocation/suballocation of funds.
- Communicate directly with heads of DoD organizations, including the Secretaries of the Military Departments, the Joint Chiefs of Staff, and the Directors of Defense agencies.
- Negotiate agreements, as necessary, with other U.S. agencies and organizations to ensure proper coordination and execution of SOF programs.

When his charter is issued, USCINCSOC will have the required tools to manage all acquisition programs, both ongoing and special operation programs already in the acquisition cycle "new starts."

## **ALLOCATION OF ACQUISITION PROGRAMS**

### **Ongoing Acquisition Programs**

We believe that, for the foreseeable future, the most productive use of USSOCOM's limited acquisition staff will be to develop a process to identify, understand, and rationalize the wide variety of SOF acquisition programs that are underway in the Services and Defense agencies. That process should be developed as soon as possible and, once developed, should be exercised on a continuing basis. Furthermore, for the USSOCOM staff, developing the process should take precedence over directly managing any continuing or new acquisition programs.

Identification of SOF acquisition programs requires specifying an array of ongoing SOF programs and their approved baseline parameters, i.e., cost, schedule, and performance. Understanding the array comes from an analysis of the way each program contributes to USSOCOM's mission and the extent of that contribution. Given the results of this analysis, the total acquisition program is made rational when the unnecessary programs are eliminated, required programs with unsatisfactory baseline parameters are corrected or adjusted, and, as necessary, additional resources for required programs not in the array are sought through the Planning, Programming, and Budgeting System (PPBS).

Given a rationalized array of programs, Figure B-1 provides a decision model for managing acquisition programs and reallocating them between USSOCOM and a Service or a Defense agency. The basis for decisions in the model is the program's expected performance against approved baseline parameters.

The bias in the model is to leave ongoing acquisition programs in place. We believe that USSOCOM should exercise extreme caution in taking back faltering acquisition programs from the Services or agencies until the root causes of any problems in maintaining approved baseline parameters are identified and all opportunities for remedial action are exhausted. The Services and agencies have a considerable, demonstrated capability in acquisition. USSOCOM does not.

Most past problems with SOF acquisitions by the Services can be traced to the relative priorities they accorded to SOF or to a loss of focus by their acquisition bureaucracies (e.g., goldplating of systems).<sup>6</sup> Both problems can be addressed when USSOCOM controls the funds. Then, the priorities will be USSOCOM priorities and USSOCOM can control their focus by controlling the cost, schedule, and performance parameters and all changes thereto.

### **New Acquisition Programs**

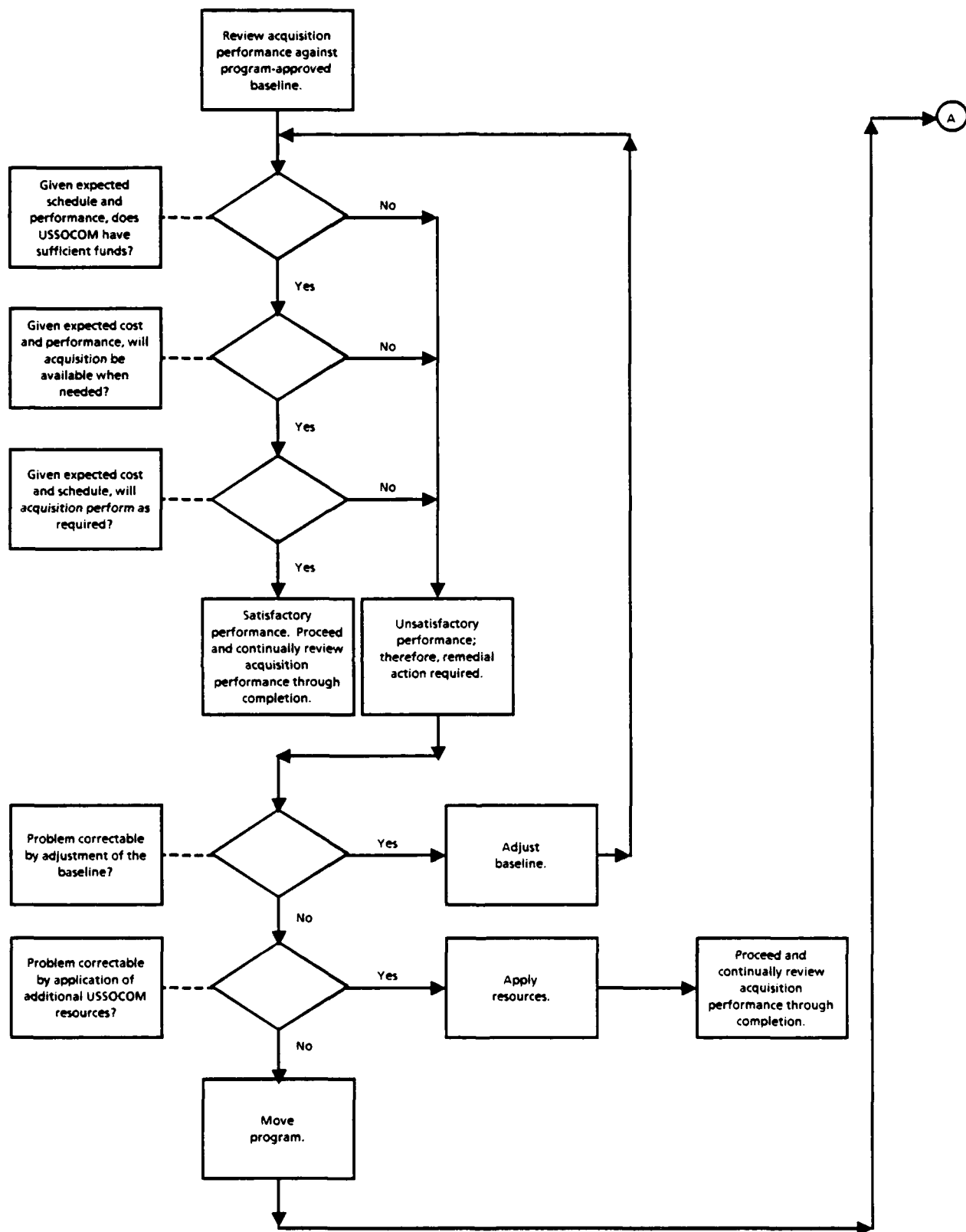
If a Service or agency acquisition system can satisfy a requirement in a timely manner, USSOCOM should assign a Service or agency to be the acquisition action agent. Once an acquisition has been given to a Service or agency, the management and reallocation process depicted in Figure B-1 applies.

Although USSOCOM would have less control over a Service or agency acquisition than if it did the acquisition itself, it has a number of tools to influence and in some ways control the acquisition performance of the Service or agency. Those tools, which can be applied in combination as well as singly, include the cost, schedule, and performance specifications that can be incorporated into Military Interdepartmental Procurement Requests (MIPRs), suballocations of appropriations, or memoranda of agreement; procurement assistance; and acquisition management assistance.

When transferring funds, USSOCOM would use either a MIPR or a suballocation. A MIPR would normally be used to transfer funds from USSOCOM to a specific command or agency and would identify a specific use for the funds, e.g., procurement of a particular line item such as the Surface Warfare Craft (Medium).

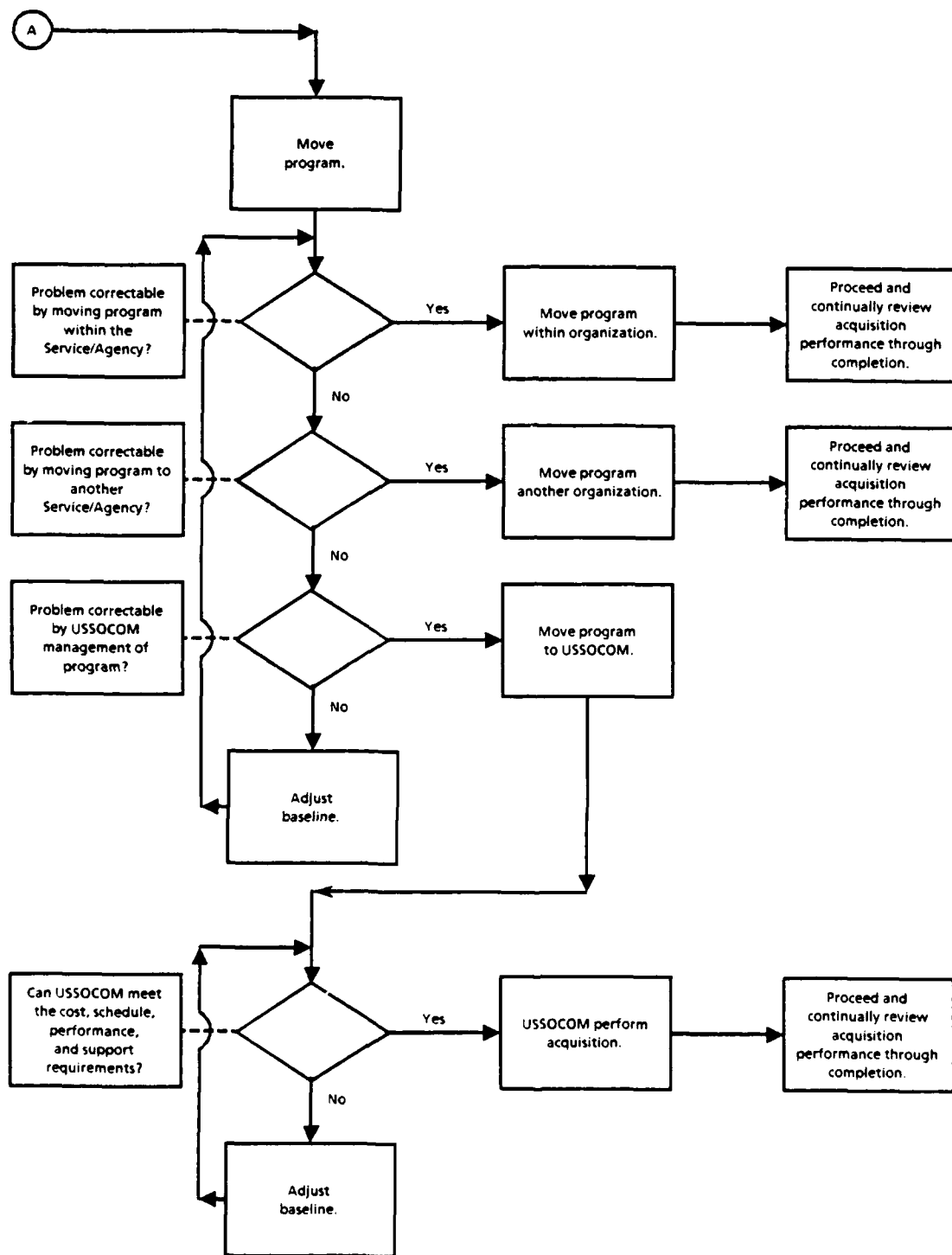
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<sup>6</sup>"Goldplating" is the adding of capabilities and features to a system beyond those needed to perform a defined function or mission.



**FIG. B-1. DECISION MODEL FOR MANAGING ONGOING ACQUISITION PROGRAMS AND REALLOCATING THEM BETWEEN USSOCOM AND A SERVICE OR DEFENSE AGENCY**





**FIG. B-1. DECISION MODEL FOR MANAGING ONGOING ACQUISITION PROGRAMS AND REALLOCATING THEM BETWEEN USSOCOM AND A SERVICE OR DEFENSE AGENCY (Continued)**

Suballocations would be implemented by USSOCOM through the ASD(Comptroller) or Washington Headquarters Service and, normally, would be used to transfer funds to a Service or agency, with the funds identified for use with a broad application, e.g., procurement of conventional ammunition.

USSOCOM's control of Research, Development, Test and Evaluation and procurement funds carries the implication that they can withdraw those funds to use them itself or to give them to another Service or agency if necessary. Such an option can be a powerful tool in negotiations.

Thus, USSOCOM's comptroller will play an important role in the acquisition process. The comptroller must develop systems for USSOCOM that can commit funds on a timely basis, ensure satisfactory obligation of those funds, and monitor traditionally noncomptroller interests such as performance and schedule outcomes resulting from use of those funds.

Providing assistance from USSOCOM's procurement organization to a Service or agency procurement organization is another tool to influence the technical aspects of an acquisition or to expedite a procurement. Examples of such assistance include the use of USSOCOM personnel to assist in preparation of a request for proposal (RFP), to staff the source-selection evaluation or advisory boards, or to help with other procurement requirements.

Very specific controls can be maintained over an acquisition by a Service or agency if source-selection authority is retained by USSOCOM. However, such retention would remove much of the incentive from the Service or agency to provide the acquisition management service.

Finally, USSOCOM acquisition management personnel can assist Service or agency staff during various other phases of acquisition management. For example, these personnel could be assigned to Service or agency program management organizations on a temporary basis as test and evaluation or logistics support specialists.

If a special-operations-peculiar requirement is mission-critical to USSOCOM and the Services or agencies lack the technical capability or other resources needed to satisfy that requirement in a timely manner, USSOCOM must then be the action agent for the acquisition. However, USSOCOM can only take on such an acquisition responsibility if it has control of the budget for MFP-11 (which will happen no earlier

than FY91), has an established procurement capability which requires SECDEF coordination,<sup>7</sup> and has an acquisition management organization (including logistics support capability).

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<sup>7</sup>Memorandum for the Commander in Chief, United States Special Operations Command. from Frank Carlucci, Secretary of Defense, Subject: *The Commander in Chief, United States Special Operations Command as Head of Agency*, 4 May 1988.

**APPENDIX C**

**PROGRAM ELEMENT DEFINITIONS**

**TABLE C-1**  
**ORIGINAL PROGRAM ELEMENT (PE) DEFINITIONS**

***PE 11000000: Ongoing Operational Activities***

Includes manpower authorizations, pay and allowances, and mission and operational support requirements that are directly applicable to existing Army, Navy and Air Force active, reserve and national guard special operations units and organizations. Army organizations include special forces, ranger, PSYOP, civil affairs and special operations aviation units. Navy SEAL units and Air Force special operations units, including combat support squadrons are also under this PE. Personnel and operations and maintenance costs that can be directly associated with an individual unit operations and training make up the resource estimates for this PE. Some minor investment costs can be included for minor and replacement equipment and spare parts. Central services and supply units and items are included in PE 113000000, "General Support."

***PE 11100000: Force Enhancements***

Includes resources for new or improved operational mission capabilities and special operations force structure expansion. This includes acquisition of new or modified weapon and combat support systems and resources for the establishment of new operational units. This PE is primarily made up of RDT&E and Procurement appropriation costs associated with new or improved ordnance and weapons, land, air and sea mobility equipment, special uniforms and personal gear, communications and electronics equipment, and the initial outfitting of new operational units and activities. Military Construction and Operations and Maintenance costs may be included in this PE to cover directly applicable facilities, personnel, services and supplies requirements of acquiring a new or improved operational force capability. Programs and activities included in this PE will transition to PE 11000000, "Ongoing Operational Activities" upon reaching full operational capability (FOC) plus 1 year, or by agreement between the OASD(SO/LIC) and the USSOC or Military Service Special Operations Components.

***PE 11200000: Training***

Includes resources for operation and maintenance, personnel, facilities and equipment required for Special Operations schools and doctrinal development activities. Also includes other general training support activities and services and USSOC joint exercise requirements.

***PE 11300000: General Support***

Includes standard and centralized base operation activities and services that can be directly attributed (on a non-prorated basis) to special operations organizations and functions on military facilities where they reside. Also includes central special operations organizational activities and their related equipment, services, facilities and personnel costs engaged in printing and reproduction, telecommunications and other logistical and administrative functions.

***PE 11400000: Advanced Special Operations Research, Development and Acquisition***

Includes activities associated with developing and demonstrating technology for application to special operations requirements and acquiring special SOF equipment. This PE also includes resources associated with DoD participation in programs such as the NSC/State Department sponsored research and development program

***PE 11000994: Real Property Maintenance: (No A, N, AF, OSD funds to date 4/30/87)***

Definition to be determined. This PE may or may not be necessary depending on analysis of specific data generated during the crosswalk exercise.

***PE 11000998: Headquarters Management***

Includes personnel, and operations and maintenance resources specifically identifiable to the USSOC and Service component command headquarters activities.

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19. ABSTRACT (Continue on reverse if necessary and identify by block number)  Recommendations are made to complete the transition of control of Major Force Program 11 (Special Operations) from the Services and Defense agencies to the United States Special Operations Command (USSOCOM).  The import of recent legislation giving program and budget responsibilities for MFP-11 to the Commander in Chief USSOCOM (USCINCSOC), and of the implementing memorandum from the Deputy Secretary of Defense, are discussed. Control of MFP-11 by USCINCSOC is to be fully exercised in the FY92-97 PPB cycle. The steps that are necessary to exercise this control by that time are explained, with specific recommendations on: defining the content and amount of resources in MFP-11, and concluding agreements with the Services and Defense agencies to provide the support to Special Operations Forces not included in MFP-11.  Estimates of the resources required to complete MFP-11, some observations on acquisition issues facing USSOCOM, and the text of the law governing USSOCOM, are also provided.					
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